



Michigan Nonprofit Association

Testimony on SB 123

by

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House Commerce Committee

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Good morning Mr. Chairman and members of the House Commerce Committee. Thank you for the opportunity to speak this morning in support of SB 123. My name is Kyle Caldwell and I am the President and CEO of the Michigan Nonprofit Association.

As you may already know, the Michigan Nonprofit Association (MNA) is the collective voice of Michigan's nonprofit organizations. MNA serves as a statewide network for the sector, a resource center on effective management practices, and as an advocate for the nonprofit community.

SB 123 will allow nonprofits to work more transparently and effectively. In surveying the 501(c)(3) charitable nonprofit community, it is clear that this bill is necessary to assist nonprofits in serving communities. Specifically, our members have expressed their strong support for allowing corporation bylaws to permit voting by electronic communication, permitting notice of meetings to be electronically transmitted, and allowing meetings of shareholders or members to be conducted via remote communication.

Currently, simple business practices such as allowing boards to vote via facsimile, hold meetings via conference call and provide notice via email are not specifically allowed in the Nonprofit Corporation Act. Modeled on changes to the Business Corporation Act, these amendments to the Nonprofit Corporation Act will allow nonprofit organizations, particularly charities, to operate more efficiently and will decrease expenses associated with mailings and meetings required by the Nonprofit Corporation Act. This bill will also address confusion among nonprofits regarding whether or not these simple business practices are already permitted.

I urge your support of SB 123 to promote these effective business practices. Thank you again for the opportunity to provide testimony on this important bill.